

Gwneud i'r economi weithio i'r rheini sydd ag incwm isel

Making the economy work for people on low incomes

Ymateb gan: Cyngor Gwynedd

Response from: Gwynedd Council

Further to your request for written consultations on 'Making the Economy work for people on low incomes'. Gwynedd Council welcomes the opportunity to offer observations and your willingness to receive input from a range of stakeholders.

In light of this, I wish to offer the following observations on the fields in question:

1. CREATE MORE INCLUSIVE ECONOMIC GROWTH THAT BENEFITS PEOPLE AND PLACES EQUALLY ACROSS WALES:

- 1.1. We believe that the main factors which ***promote growth and combat poverty are good jobs which pay well, skills, infrastructure and connectivity***. It is crucial that more jobs are created and better jobs of a high quality and also reduce the obstacles that people face when looking for jobs.
- 1.2. We are pleased to see the focus of ***Taking Wales Forward*** on economic prosperity for all. Recognising the crucial role a strong economy and access to employment opportunities play when tackling cases of poverty and reducing inequalities in Wales is essential.
- 1.3. There is a need to ***ensure that we disperse and disseminate economic growth***. With the over-centralising of growth and developments where the private sector is strong, the gap between areas extends. There is an example of this in North Wales where a growth gap exists between the North East and the North West. We need to ensure prosperity for all.
- 1.4. Gwynedd Council agrees with the objective and believes that following a strategy outlined in the North Wales Economic Ambition Board's 'Growth Vision for the Economy of North Wales' is the main priority to ensure growth in the region's economy and raise the economy's GVA to be in-keeping with other areas in Wales.
- 1.5. We encourage Welsh Government, together with the UK Government, to support the realisation of the vision of the Ambition Board, focusing efforts on:
 - ***Creating and sustaining high-value jobs within priority sectors*** such as energy generation, advanced manufacturing, the media and information technology and the aerospace field, together with their supply chains.
 - ***Developing areas of specific opportunity such as the Enterprise Zones***, including the Snowdonia Enterprise Zone, in the interests of the entire region.
 - Links between employers' skills needs and the priorities of training providers - in order for them to ***prepare people for the jobs***.
- 1.6. In order to maximise the resources that are available in the field of economic development, it is crucial that UK Government, Welsh Government and other partners' programmes are checked and integrated to deliver the same purpose.
- 1.7. Public investments and developing the infrastructure which will ensure that growth is dispersed and disseminated should be prioritised, via schemes such as the electrification of the North Wales Coast railway, a new bridge across the Menai Straits, higher and further education facilities and the continuation of developing an ICT infrastructure in the region; as well as the development of specific sites such as the Llanbedr Airfield.
- 1.8. Together with increasing the number of high-value jobs in the North Wales region, support should be given to the sectors which sustain our rural areas such as Tourism, Food and Agriculture, the care

sector and the construction sector, to increase the value of their activity and the employment they offer.

2. REDUCE THE PROPORTION OF PEOPLE ON LOW INCOMES:

- 2.1. There is a clear link between people on low incomes and poverty. It is important that the Government encourages an increase in actual salaries and fills the gaps created by cuts to Universal Credit. There is a good balance between the findings of learning standards and the teaching provision and matters for development have been identified. ***In-work poverty*** is an obstacle in Gwynedd.
- 2.2. The Government uses comparative income poverty as a way of defining and measuring poverty; those households which have a median income lower than 60% are considered poor.
- 2.3. Gwynedd Council does not believe that this material definition of poverty describes the actual meaning of poverty and its effects on society. ***Some people experience every element of the different types of poverty*** from lack of money, no work, unsuitable housing, no access to services and a lack of transport, to no social, cultural or leisure opportunities or experiences. A lack of ambition is also a matter which requires consideration and response.
- 2.4. As a result of poverty, people are unable to play a full part in the society to which they belong which pushes cohorts of individuals to the peripheries of society.
- 2.5. An analysis of Gwynedd's socio-economic statistics show that the County's poverty stems from ***a weak economy which results in low income levels***, whether that be in-work poverty due to low salary levels in the County, or a reliance on benefits due to being unable to work or a lack of work.
- 2.6. In Gwynedd, the gross weekly salary is £350, the lowest figure in Wales. Within Gwynedd, ***the salary figure for the Dwyfor/Meirionnydd constituency is £342.70, which is the lowest of the 40 constituencies in Wales.***
- 2.7. The ***average income in Gwynedd is £23,988, which is one of the lowest in Wales.*** Moreover, the Council has identified 19 communities/wards in the County where over 42.4% of households in the community have an income of lower than £23,988. The average income is at its worst in the community of Marchog (Bangor), where the annual income reduces to £17,159.
- 2.8. In Gwynedd, the low income households fall into two main groups, namely:
 - Low income households due to a lack of work (therefore reliant on benefits as their income):
 - there are 1,989 work-less households in Gwynedd;
 - of those 1,989 households, 284 are single-parent households.
 - Low income households due to low salary levels (and reliant on working tax credit to supplement their income):
 - there are 1,154 households in Gwynedd which receive Working Tax Credit.
- 2.9. Due to the spatial nature of several of Welsh Government's combating poverty programmes, such as Communities for Work, Flying Start and Communities First, very few of the communities most affected by poverty in Gwynedd are eligible or able to participate in the programmes.
- 2.10. This is the ***main weakness of the location-based poverty programmes for a rural County such as Gwynedd.*** The large programmes and the investment on a National level do not reach them, which means that it is difficult to reduce the proportion on a low income in the County.
- 2.11. With the emergence of Universal Credit, moving within work (more hours/higher salary) is more important than ever before for those in a low salary job. People need to be inspired and offered support to increase their work hours and offer them clear career opportunities.

- 2.12. There is also a need to **recognise the importance of childcare** when assisting parents to get a job and stay in it. This is very important for those earning the second salary of the household.
- 2.13. Gwynedd Council believes that there are exciting plans afoot as part of the 'Growth Bid' in North Wales which focus on collaborating with the DWP, Careers Wales, Welsh Government, Further and Higher Education and the private sector to **establish an employment service with careers advice for the region**.
- 2.14. There is emphasis also on **developing employability programmes** which target groups of vulnerable people and get to **grips with economic inequalities between various groups**.
- 2.15. It is important to bear in mind the role of the third sector when planning employability programmes which target groups of vulnerable people. We collaborate on a local and regional level with organisations such as CAB to reach vulnerable people.

3. CORRESPOND WITH UK GOVERNMENT'S EMPLOYMENT AND HEALTH PROGRAMME:

- 3.1. The relationship between the work programme and UK Government's Department for Work and Pensions is crucial. We are eager to see one large integrated scheme, rather than tens of small schemes which is confusing for individuals. In the past, it's fair to say that there has been criticism of the integration of several DWP programmes and Welsh Government's employability programmes.
- 3.2. We believe that there is strong evidence in drawing up an integrated strategy for interventions in the labour market which consider tackling long-term unemployment.

We very much hope that these observations will be helpful to you and that our input will be given full consideration at the Equality, Local Government and Communities Committee.

We are eager to continue to collaborate with Welsh Government and are willing to be a positive and proactive partner in the interests of the residents of Gwynedd.